

Mediating Loss of Forages Due to Lack of Rainfall

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This summer's unusually hot, dry weather conditions have resulted in lower hay yields and restricted pasture regrowth on many Vermont farms. Reduced yields can significantly decrease income, and in cases where producers rely on their forages to feed livestock, diminished pastures may mean cutting into forage supplies intended for later in the year and in some situations, having to reduce livestock numbers to extend remaining forages.

USDA's Pasture, Rangeland, Forage (PRF) program was designed to help protect a producer's operation from forage losses due to one peril: lack of precipitation. This insurance can mitigate increased costs for feed, destocking, depopulating or other actions that are the result of losses of forage produced for grazing or harvested for hay.

PRF coverage is based on precipitation expected during specific intervals, utilizing a rainfall index to determine precipitation for coverage purposes. It does not measure forage production or loss of products themselves. The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data, which utilizes a grid system to determine precipitation amounts within an area. Each grid is approximately 17 by 17 miles. Acres to be insured are in one or more grids, based on the location to be covered. When the rainfall during the two-month insured period falls below the 50-year average for that grid, the producer may receive an indemnity payment.

Producers select the coverage level, index intervals and productivity factor.

- Policyholders select a **coverage level** from 70 to 90 percent.
- The **index interval** represents a two-month period, and the period selected should be the one when precipitation is most important to a producer's operation.
- The rainfall index does not measure direct production or loss. The producer is insuring a rainfall index that is expected to estimate production. Producers select a **productivity factor** to match the amount of protection to the value of the production that best represents the operation and the productive capacity of the producer's acres. Coverage is based on the rainfall index and the experience of the entire grid.

A crop insurance agent will be able to assist you in working through the RMA on-line Decision Support Tool to help you determine whether or not PRF is the right choice for your farm. Using RMA's **PRF Support Tool** you can locate the grid where your forage acreage is located.

<https://prodwebnlb.rma.usda.gov/apps/prf> Once you locate your grid, you can click on the Historical Indexes to see the 50-year history for your location.

The enrollment deadline for PRF coverage is November 15. You can locate an agent licensed to sell crop insurance in Vermont by visiting the RMA web site: <http://www.rma.usda.gov/tools/agent.html>

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